



Horizonte Minerals plc / Index: AIM / Epic: HZM / Sector: Mining  
4 June 2010

## **Horizonte Minerals plc ('Horizonte' or 'the Company') Final Results**

Horizonte, the AIM quoted exploration and development company focused on Brazil and Peru, is pleased to announce its results for the year ended 31 December 2009.

### **Overview**

- Excellent progress made across portfolio of gold, silver and base metal projects in Brazil and Peru
- Successfully raised £1.3 million for expansion of exploration activities
- Active major JV partners – minimising financial exposure
- Exploration alliance signed with AngloGold Ashanti to generate and develop new gold targets in Brazil, fully funded by AngloGold Ashanti - US\$5.3 million earn-in with first year minimum commitment of US\$900,000
- Project evaluation and development JV with LGA - LGA funding R\$1,000,000 (approx. US\$440,000) to earn 50%
- Positive metallurgical leach tests on ore from the Lontra Nickel Project demonstrating amenability to processing by low cost leaching technologies
- Continued evaluation of the Tangara gold project by Troy Resources NL

### **Chairman's Statement**

Horizonte has made excellent progress during the last year despite difficult market conditions. Now, as 2010 progresses, there is a renewed optimism in the resource sector and I feel that Horizonte is well placed to benefit from this. We continue to add value to our portfolio of gold, silver and base metal projects in Brazil and Peru through exploration development and securing partnerships with mining majors.

We successfully raised £1.3 million in September 2009, providing us with the cash resources to develop our projects. In addition, with three active partners, namely AngloGold Ashanti ('AngloGold'), Troy Resources NL ('Troy') and LGA Mineração e Siderurgia Ltda ('LGA'), we have, potentially, US\$9 million of exploration expenditure under these agreements if they all proceed to completion. I believe we have the foundations in place to generate significant value and deliver strong growth for our shareholders.

In terms of a renewed optimism in the resource sector, nickel is a clear example of this revival. Although in the first half of 2009 the price was below US\$6/lb, in 2010 it has exceeded US\$10/lb and is scaling new heights due to a rapid increase in stainless steel production. Indeed Macquarie Research estimates that stainless steel production will have hit 7.8Mt for Q1 2010, equal to previous quarterly high of Q1 2007.

Feeding this new demand is a challenge. Production in Q1 2010 was 8% lower than the all-time high level of Q1 2008. In the industry, a number of nickel exploration projects were dropped during the financial downturn and are unlikely to be revived. Meanwhile ongoing strikes at Vale Inco's Sudbury and Voisey's Bay operations will cause ongoing disruption to nickel supply.

In this vein, I believe new nickel projects will be required. Currently we are developing our Lontra nickel laterite project in the Carajas Mineral Province of Northern Brazil. Since reporting positive initial metallurgical test work in November 2009, we have been working with leading nickel laterite consultant Roger Billington focussing on the design of the drill plan to complete a JORC compliant resource. Infill soil sampling has been completed and further targets have been identified and we have been preparing the project for re-commencement of the resource definition drilling for Q4 2010, which will be one of our main priorities in 2010. Lontra is a quality project in an excellent location with good infrastructure for nickel laterite development. Interestingly, the project is located 80km south of the major lateritic nickel project operated by Xstrata plc at Serra da Tapa and Vale dos Sonhos (inferred resource of 73Mt at 1.5% Ni). Whilst we continue to fast-track the Lontra project towards a resource definition stage, we are actively looking at opportunities for consolidation within this emerging nickel belt.

Gold is also maintaining its value with the price being sustained above US\$1,100/oz. The critical need for new projects and its justification was outlined in my interim statement last year. The strategic association with AngloGold, signed in September 2009, was a major achievement for Horizonte and a testament to the quality of our technical team.

This exploration alliance forms part of a US\$5.3million three year target generation and development for new gold mineralisation in two areas of Brazil. Exploration commenced in October 2009 after a period of data compilation, structural and alteration mapping using Landsat imagery and planning of the regional stream sediment sampling programme. Work on the ground has covered a large area with a total of 608 stream sediments and 679 rock samples taken up to end of March. This type of exploration does not create much in the way of news flow, yet in time it has the potential to create significant value through the identification of a project which develops into a company maker for Horizonte.

At our Tangara gold project located in the Carajas Mineral Province in Brazil, our partner Troy has undertaken extensive work on the Tangara Project optioned from Horizonte. The Tangara project is located in close proximity to Troy's operating plant at the Andhorinas gold mine which, subject to positive drilling results at the Tangara Project, could represent a rapid development target. Troy produced 17,127 oz in the second half of 2009 from its nearby Andorinhas mine.

To date, work has focussed on the Malvinas Trend, in particular the Gerson Zone, with the aim to delineate a resource/reserve statement. This drilling programme resulted in 264 holes (13,180m) as well as extensive surface work and technical studies to complete the final reporting. Other areas tested were the Americo and West Rio Maria targets. Troy has also contracted the Centre for Exploration Targeting ('CET') of Western Australia to compile all available regional and project data, followed by a re-interpretation and re-processing of various data sets to generate a series of new conceptual and empirical targets on the main project area. The preliminary target results are expected in June 2010.

In addition Troy is reviewing all data on the Tangara option. We are currently awaiting Troy's decision on whether it will exercise its option by paying Horizonte US\$2 million and entitling your Company to a US\$30/oz royalty on production from the licences. We are working closely with Troy and will keep the market informed on these developments in due course.

On the theme of partnerships, we also signed a 50:50 joint venture agreement ('JV') with LGA in April 2009 to finance the development of six early stage projects in Brazil and identify and acquire suitable bolt-on mineral projects. Under the terms of the agreement LGA is providing funding of US\$441,000 over the first year of the agreement.

Currently the JV is focussed on two key project areas comprising the Goias nickel sulphide project and the Sao Felix generative programme. At the Goias project we have generated a number of targets with nickel sulphide potential that are ready for drill testing. At the Sao Felix generative programme, several exploration licences have been

evaluated and applied for. Field work has prioritised three areas with targets defined at stream and rock geochemical levels - these include gold and nickel targets. The JV will advance these targets through to a drilling stage later in 2010.

Our 100% owned Falcao copper-gold project located in the Carajas Mineral Province in Brazil has suffered access problems with the local landowner, a common occurrence in Brazil. We have worked persistently on this matter, with assistance from the Mines Department and local legal advice. This has been a lengthy procedure but one we felt was merited given the potential of the project. I believe we are close to resolving this problem that will allow Horizonte to commence exploration on this major target. This should provide exciting news as we rapidly focus on drill targets. Interestingly, BHP Billiton undertook a limited wide spaced reverse circulation ('RC') drilling campaign in September 1998 to test for the presence of a world-class mineral deposit. The final RC drill holes were located on a wide 2,400m by 400m spacing along the 6km anomalous trend. Despite the wide drill hole spacing, a number of highly anomalous intersections were drilled including 9m at 4.8g/t gold from surface, 3m at 4g/t gold from 57m, and 24m at 0.5g/t gold including 3m at 2.8g/t gold. This latter result was from a hole which was drilled outside the main soil geochemical anomaly and is probably one of the largest gold anomalies without old workings associated with it and has already attracted attention of competitor companies.

At our Pararapa gold-silver project in Peru, which we will develop in conjunction with our partner Barrick Gold, we intend to conduct resource drilling in the near future depending on permitting and road access. In addition, the El Aguila project has been reviewed by a number of companies and we aim to find a partner to fast-track the development for this project in view of the strengthening silver market.

The Horizonte share price has seen a solid recovery through 2009 with results from our association with AngloGold, ongoing developments with Troy and further news from other activities especially Lontra, we will aim to maintain this trend through 2010. It remains for me to thank you on behalf of the Board and management for your support and also personally to thank my fellow members of the Board and the Horizonte management team for their excellent work and support.

David J. Hall  
Non-Executive Chairman

**Consolidated Statement of Comprehensive Income**  
For the year ended 31 December 2009

<b>Year ended 31</b>	Year ended 31 December
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	<b>December 2009</b>	2008
	<b>£</b>	<b>£</b>
<b>Revenue</b>	-	-
Cost of sales	-	-
<b>Gross profit</b>	-	-
Administration expenses	<b>(893,805)</b>	(1,011,054)
Project impairment	-	(545,310)
Gain/(loss) on foreign exchange	<b>3,269</b>	(9,073)
<b>Loss from operations</b>	<b>(890,536)</b>	(1,565,437)
Finance income	<b>4,179</b>	68,124
<b>Loss before taxation</b>	<b>(886,357)</b>	(1,497,313)
Taxation	-	-
<b>Loss for the year from continuing operations</b>	<b>(886,357)</b>	(1,497,313)
<b>Total comprehensive income for the year attributable to equity shareholders</b>	<b>(886,357)</b>	(1,497,313)
<b>Loss per share (pence) – basic and diluted</b>	<b>(1.94)</b>	(3.70)

### Consolidated Statement of Financial Position

	<b>As at 31 December 2009</b>	As at 31 December 2008
	<b>£</b>	<b>£</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	<b>2,498,411</b>	2,380,528
Property, plant & equipment	<b>919</b>	1,638
	<b>2,499,330</b>	2,382,166
<b>Current assets</b>		
Trade and other receivables	<b>44,609</b>	4,600

Cash and cash equivalents	<u>1,281,410</u>	<u>1,043,502</u>
	<u>1,326,019</u>	<u>1,048,102</u>
<b>Total assets</b>	<b><u>3,825,349</u></b>	<b><u>3,430,268</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital	590,191	404,477
Share premium	6,811,399	5,771,728
Other reserves		(1,048,100)
	(1,048,100)	)
Retained earnings		(1,995,264)
	(2,867,224)	)
<b>Total equity</b>	<b><u>3,486,266</u></b>	<b><u>3,132,841</u></b>
<b>Current liabilities</b>		
Trade and other payables	<u>339,083</u>	<u>297,427</u>
<b>Total liabilities</b>	<b><u>339,083</u></b>	<b><u>297,427</u></b>
<b>Total equity and liabilities</b>	<b><u>3,825,349</u></b>	<b><u>3,430,268</u></b>

#### Consolidated Statement of Changes in Equity

	Share capital	Share premium	Accumulated losses	Other reserves	Total
	£	£	£	£	£
<b>As at 1 January 2008</b>	404,477	5,771,728	(618,755)	(1,048,100)	4,509,350
Share options – value of employee services	-	-	120,804	-	120,804
Comprehensive income for the year	-	-	(1,497,313)	-	(1,497,313)
<b>As at 31 December 2008 and 1 January 2009</b>	<b><u>404,477</u></b>	<b><u>5,771,728</u></b>	<b><u>(1,995,264)</u></b>	<b><u>(1,048,100)</u></b>	<b><u>3,132,841</u></b>
Issue of ordinary shares	185,714	1,114,286	-	-	1,300,000
Issue costs	-	(74,615)	-	-	(74,615)
Share options -value of employee services	-	-	14,397	-	14,397
Comprehensive income for the year	-	-	(886,357)	-	(886,357)
<b>As at 31 December 2009</b>	<b><u>590,191</u></b>	<b><u>6,811,399</u></b>	<b><u>(2,867,224)</u></b>	<b><u>(1,048,100)</u></b>	<b><u>3,486,266</u></b>

## Consolidated Statement of Cash Flows

	Year ended 31 December 2009	Year ended 31 December 2008
	£	£
<b>Cash flows from operating activities</b>		
Loss before taxation	(886,357)	(1,497,313)
Interest income	(4,179)	(68,124)
Employee share options charge	14,397	120,804
Project impairment	-	545,310
Depreciation	719	630
<b>Operating loss before changes in working capital</b>	<b>(875,420)</b>	<b>(898,693)</b>
(Increase)/decrease in trade and other receivables	(43,296)	103,328
Increase in trade and other payables	41,656	25,621
<b>Net cash outflow from operating activities</b>	<b>(877,060)</b>	<b>(769,834)</b>
<b>Cash flows from investing activities</b>		
Net purchase of intangible assets	(117,883)	(640,801)
Purchase of property, plant and equipment	-	(1,099)
Interest received	7,466	64,838
<b>Net cash used in investing activities</b>	<b>(110,417)</b>	<b>(577,062)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	1,225,385	-
<b>Net cash inflow from financing activities</b>	<b>1,225,385</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>237,908</b>	<b>(1,346,896)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,043,502</b>	<b>2,390,398</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,281,410</b>	<b>1,043,502</b>
<b>Consisting of:</b>		
Group cash	1,281,410	1,043,502

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

The principal activity of Horizonte Minerals Plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and base metals.

The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange.

## **2. Emphasis of Matter**

The auditors' have issued an unqualified opinion in respect of the financial statements for the year ended 31 December 2009 but have raised an Emphasis of Matter in relation to Going Concern as follows:

*"In forming our opinion on the Financial Statements, which is not qualified, we have considered the adequacy of the disclosure made in 'Accounting Policies- Going Concern' to the Financial Statements concerning the Company's and Group's ability to continue as a going concern. The Group incurred a loss of £886,357 during the year ended 31 December 2009 and at that date had cash resources of £1,281,410 and net current assets of £986,936. The matters explained in 'Accounting Policies-Going Concern' indicate the existence of a material uncertainty which may cast significant doubt about the Company's and Group's ability to continue as a going concern. The Financial statements do not include the adjustments that would result if the Company and Group were unable to continue as a going concern.*

*As stated in the ' Financial Review' section of the Directors' Report and the disclosure made in 'Accounting Policies-Going Concern', we note the Directors have a reasonable expectation that sufficient funds will be raised to continue in operational existence for the foreseeable future."*

The auditors issued an unqualified report in respect of the 2008 Financial Statements.

## **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

### **3.1 Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention and on a going concern basis. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

### **3.2 Basis of consolidation**

Horizonte Minerals Plc was incorporated on 16 January 2006. On 23 March 2006 Horizonte Minerals Plc acquired the entire share capital of Horizonte Exploration Ltd by way of a share for share exchange. The transaction has been treated as a Group reconstruction, and has been accounted for using the merger accounting method.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

### 3.3 Intangible assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities of that unit, the associated expenditures are written off to the statement of comprehensive income.

### 3.4 Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to the recoverable amount. Impairment losses are recognised as an expense immediately.

## 4. Expenses by nature

	2009 £	2008 £
Employee benefit expenses	298,298	393,374
Exploration related costs expensed	297,709	390,463
Depreciation	719	630
Other expenses	297,079	226,587
	<u>893,805</u>	<u>1,011,054</u>

## 5. Dividends

No dividend has been declared or paid by the Company during the year ended 31 December 2009 (2008: nil).

## 6. Loss per share

The basic loss per share is 1.94p (2008: 3.70p) and the diluted loss per share is 1.94p (2008:3.70p).

The basic loss per share is calculated by dividing the loss for the year of £886,357(2008: £1,497,313) by 45,790,132 (2008:40,447,666) ordinary shares, being the weighted average number of shares in issue.

The diluted loss per share is the same as the basic loss per share as the options that were in existence have an anti-dilutive effect on the loss per share and therefore have not been taken into account.

## **7. Annual General Meeting**

The Company's Annual General Meeting will be held at the offices of Westhouse Securities Limited, One Angel Court, London EC2R 7HJ on 29 June at 3.00pm.

**\*\* ENDS \*\***

For further information visit [www.horizonteminerals.com](http://www.horizonteminerals.com) or contact:

Jeremy Martin	Horizonte Minerals plc	Tel: 020 7016 9132
David Hall	Horizonte Minerals plc	Tel: 020 7016 9132
Richard Baty	Westhouse Securities Limited	Tel: 020 7601 6100
Martin Davison	Westhouse Securities Limited	Tel: 020 7601 6100
Hugo de Salis	St Brides Media & Finance Ltd	Tel: 020 7236 1177
Felicity Edwards	St Brides Media & Finance Ltd	Tel: 020 7236 1177

### **Notes to Editors:**

Horizonte Minerals plc is an AIM quoted exploration and development company with an extensive portfolio of gold, silver and base metal projects in producing mineral districts in Brazil and Peru. The Company is focused on generating and rapidly advancing new exploration projects to joint venture out to major mining companies, providing mid-term cash flow which is then used to develop the business and pipeline projects.

Horizonte has four strategic partnerships: AngloGold Ashanti, Troy Resources NL, LGA Mineração e Siderurgia Ltda and Barrick Gold Corporation, which the Company is working together with to develop its multi commodity portfolio and explore further development opportunities in Brazil and Peru.

The Company has two primary projects situated in the Carajas Mineral Province of northern Brazil being advanced towards a resource definition; the 22,556 hectare Lontra nickel project situated in the Araguaia mobile belt and the Tangara gold project, which the Company signed a US\$2.8 million option agreement to advance the project with Troy Resources in December 2007. Horizonte is also developing in tandem with Barrick Gold

the 2,147 hectare Pararapa gold property located in the department of Arequipa, southern Peru.

Additionally, Horizonte has established a generative pipeline of early stage projects in development and has established a 50:50 joint venture company with private Brazilian trading company LGA Mineração e Siderurgia Ltda. (LGA) to finance new project development of pipeline projects. Furthermore Horizonte has signed a US\$5.3 million three year joint venture in September 2009 with AngloGold Ashanti to focus on target generation and potential acquisitions of gold projects in Brazil.

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